



**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE  
STATE OF CALIFORNIA**

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Application of Southern California Edison  
Company (U 338-E) For Approval of Its 2023  
ERRA Forecast Proceeding Revenue Requirement

Application 22-05-\_\_\_\_

**APPLICATION OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E)**  
**FOR APPROVAL OF ITS 2023 ERRA FORECAST PROCEEDING REVENUE**  
**REQUIREMENT**

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Dated: **May 16, 2022**

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE  
STATE OF CALIFORNIA**

Application of Southern California Edison  
Company (U 338-E) For Approval of Its 2023  
ERRA Forecast Proceeding Revenue Requirement

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**APPLICATION OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E)  
FOR APPROVAL OF ITS 2023 ERRA FORECAST PROCEEDING REVENUE  
REQUIREMENT**

**I.**

**DESCRIPTION OF APPLICATION**

Pursuant to Decisions (D.) 04-01-050, D.04-01-048, and modified in D.04-03-023 and D.14-05-006, Southern California Edison Company (SCE) files this annual Energy Resource Recovery Account (ERRA) Forecast Application (Application) to request that the California Public Utilities Commission (CPUC or Commission) authorize SCE's 2023 ERRA Forecast proceeding revenue requirement of \$3.898 billion. The forecast revenue requirement consists primarily of SCE's proposed 2023 fuel and purchased power (F&PP) costs. However, it also includes: (1) certain estimated December 31, 2022 year-end balancing account balances that SCE requests to recover from or return to customers; (2) other miscellaneous expenses, such as spent nuclear fuel expense; (3) costs related to SCE's role as Central Procurement Entity (CPE); and (4) costs related to the authorization and implementation of SCE's proposed new "Green Share" rate. SCE's proposed 2023 ERRA Forecast revenue requirement represents a decrease of

approximately \$501.410 million as compared to the revenue requirement reflected in rates effective today.<sup>1</sup>

The forecast adopted by the Commission in this proceeding does not determine which procurement-related costs are ultimately eligible for cost recovery, as the actual F&PP costs must be reviewed by the Commission and found eligible for recovery in a subsequent ERRR Review proceeding or Quarterly Compliance Report determination. SCE will update its 2023 ERRR Forecast revenue requirement in October 2022 (October Update), so that the latest forecast assumptions and updated 2022 year-end balancing account balances can be incorporated into SCE's 2023 rates, upon receiving a final decision in this proceeding.

# **1. Greenhouse Gas (GHG) Revenue and Reconciliation**

As directed by the Commission's *Phase 2 Decision Adopting Standard Procedures for Electric Utilities to File Greenhouse Gas (GHG) Forecast Revenue and Reconciliation (FR&R) Requests* (Decision (D.)14-10-033), issued in Application (A.) 13-08-002 *et al.*, dated October 16, 2014, the investor-owned utilities (IOUs) are to include their GHG revenue and reconciliation requests as an additional chapter or section within the annual ERRR forecast applications.<sup>2</sup> SCE's Application proposes to return a total of \$746.829 million in net GHG allowance revenues to eligible customers in 2023 based on the Commission-adopted methodologies and utilizing GHG revenues and cap-and-trade costs, including administrative and customer outreach costs, as proposed and supported in the direct testimony submitted concurrently with the filing of this Application. Based on SCE's estimated GHG allowance revenues available for return to eligible customers in 2023, residential and small commercial customers can expect a semi-annual, on-bill California Climate Credit of \$68.00 in 2023.

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<sup>1</sup> The rates in effect today are based on the revenue requirement approved by D.22-01-003.

<sup>2</sup> D.14-10-033, Ordering Paragraph (OP) 10.

## **2. SCE's Proposed New Green Share Rate Option**

Additionally, SCE offers testimony for authority to implement and recover the costs associated with a new “Green Share” rate option for certain large business customers. SCE Green Share is designed to provide a targeted group of customers with a new opportunity to increase the amount of renewable resources serving their energy needs on an opt-in basis. This program is aimed at large business customers who have renewable energy goals above SCE’s current Renewables Portfolio Standard (RPS) requirements and are ineligible to take service on SCE’s Green Tariff Shared Renewables (GTSR) program. The SCE Green Share rate option will enable these large customers to partner with SCE to support California’s clean energy and GHG emission reduction goals, while supporting the principles of affordability, customer choice, and increased renewable energy access for end-use customers. SCE proposes to implement SCE Green Share in 2023 and anticipates that eligible customers will be able to receive service on the SCE Green Share rate option at that time. SCE expects to meet initial program demand through existing RPS resources but may procure incremental resources to meet future program demand through its RPS solicitations. Participating bundled service customers will remain on their otherwise applicable open access tariff (OAT) and will pay the cost of their participation in SCE Green Share through an adder rate on their bill. SCE estimates incurring incremental marketing, education and outreach (ME&O) costs of up to \$25,000 to implement the program through 2024.

## **3. Forecast 2023 Central Procurement Entity-Related Costs**

On June 11, 2020, the Commission adopted D.20-06-002 (CPE Decision) which, in part, identifies SCE as the CPE (SCE-CPE) for its respective distribution service area.<sup>3</sup> In its role as the CPE, SCE is responsible for procuring multi-year Local RA on behalf of all LSEs within SCE’s electric distribution service area beginning with the 2023 compliance year. The CPE

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<sup>3</sup> See also D.20-12-006 (Local Capacity Requirement Reduction Compensation Mechanism Decision) and D.22-03-034 (RA OIR Phase 1 Decision).

Decision adopted the Cost Allocation Mechanism (CAM) as the cost recovery mechanism for the CPE procurement of Local RA and directed SCE to establish a Centralized Local Procurement Balancing Account as a sub-account of its New System Generation Balancing Account (NGSBA) to facilitate the cost recovery process.<sup>4</sup> All procurement conducted by SCE as the CPE is separate and distinct from procurement conducted by SCE for SCE's bundled service customers. OP 16 of the CPE Decision also finds that the administrative costs incurred by the CPE in serving the central procurement function shall be recoverable under the CAM, and OP 17 requires that the CPE submit its administrative costs for review as part of SCE's annual ERRR Review and Forecast proceedings.

On March 17, 2022, the Commission adopted D.22-03-034 which, in part, requires that CPE procurement costs shall be forecasted and implemented in rates through the annual ERRR Forecast proceeding.<sup>5</sup> This decision also directs that the CPE procurement costs shall be handled in a separate confidential chapter in ERRR Forecast testimony, whereby the confidential contents shall only be viewable to the CPE's personnel and support personnel, including employees in contract management, law, and regulatory compliance. Only transactions where the CPE compensates the seller for resources that qualify as Local Capacity Requirement Reduction Compensation Mechanism or local RA attributes shall be required for inclusion in supporting workpapers or other testimony. Consistent with D.22-03-034, SCE submits for the Commissions review and approval of its CPE-related procurement costs in Ex. SCE-02, submitted concurrently with this Application.

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<sup>4</sup> D.20-06-002, OP 17.

<sup>5</sup> See OP 19 of D.22-03-034.

#### **4. SCE's Direct Testimony in Support of its Application**

Concurrently with the filing of this Application, SCE is serving supporting direct testimony, which has been preliminarily marked as Exhibits (Ex.) SCE-01 and Ex. SCE-02.<sup>6</sup> Ex. SCE-01 addresses the following:

- Chapter I: Introduction
- Chapter II: 2023 ERRRA Forecast Proceeding Review Requirement
- Chapter III: SCE's Bundled Service Customer Energy Forecast
- Chapter IV: Forecast Energy Production and Costs from SCE's Portfolio of Resources
- Chapter V: Financing Costs
- Chapter VI: Carrying Costs
- Chapter VII: GHG Forecast Costs, Revenues, and Reconciliation
- Chapter VIII: 2023 Forecast Revenue Requirement and Ratemaking Proposal
- Chapter IX: 2023 Forecast Cost Responsibility Surcharges
- Chapter X: 2022 Cost Responsibility Surcharge True-Up
- Chapter XI: Green Share Program
- Chapter XII: Present Rate Revenues
- Appendix A: Estimated December 31, 2022 Balancing and Memorandum Account Balances
- Appendix B: Indifference Rate Calculation

Ex. SCE-02 addresses the following:

- Chapter I: Introduction
- Chapter II: Forecast Energy Production and Costs from SCE's CPE Portfolio of Resources
- Chapter III: 2023 CPE Related Forecast Administrative Costs

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<sup>6</sup> SCE will submit confidential and public versions of its supporting testimony.

- Chapter IV: CPE Related Forecast Revenue Requirement and Ratemaking Proposal

SCE's Application requests an overall 2023 ERRR Forecast revenue requirement decrease of approximately \$501.410 million compared to the revenue requirement used to set rates in effect today. This forecast is primarily derived from:

- A forecast increase of \$269.284 million in the generation service requirement from the rates in effect today, and a decrease of \$770.694 million in the delivery service revenue requirement from the rates in effect today

Compared to SCE's current ERRR Forecast revenue requirement, this Application requests a revenue decrease of 7.1 percent, beginning in 2023 or upon implementation of SCE's 2023 ERRR Forecast rates. The following table shows an estimate of proposed rate impact by customer group if SCE's ERRR Forecast rate change is approved as requested:

### CUSTOMER BILL IMPACT TABLE

Bundled Average Rates (¢/kWh)				
Customer Group	Current Rates	Proposed Change	Proposed Rates	% Increase
Residential	27.77	(1.35)	26.77	-3.6%
Lighting - Small and Medium Power	26.26	(1.97)	24.29	-7.5%
Large Power	18.00	(1.59)	16.38	-9.0%
Agricultural and Pumping	21.32	(1.52)	19.80	-7.1%
Street and Area Lighting	27.22	(0.97)	26.25	-3.6%
Standby	14.67	(1.44)	13.34	-9.1%
<b>Total</b>	<b>24.30</b>	<b>(1.79)</b>	<b>22.57</b>	<b>-7.1%</b>

Residential Bill Impact (\$/Month)				
Description	Current	Proposed Change	Proposed	% Increase
Non-CARE residential bill	\$ 160.20	\$ (13.52)	\$ 146.68	-8.4%
CARE residential bill	\$ 104.19	\$ (8.79)	\$ 95.40	-8.4%

If the Commission approves this Application, a typical non-CARE residential customer using 500 kilowatt-hours per month could see a monthly bill decrease of \$13.52, from a current monthly bill of \$160.20 to \$146.68.<sup>7</sup> The overall aggregate effect to residential customers is forecast to be a decrease in electric rates of 3.6 percent as illustrated in the Customer Bill Impact

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<sup>7</sup> The monthly bills are calculated using the domestic tiered rates and exclude the impact of the semi-annual California Climate Credit that is distributed twice a year.

Table above. This Application submits SCE's forecast of SCE's 2023 ERRRA Forecast revenue requirement, and the overall rate decrease described herein likely will change prior to being included in next year's electric rates. Although SCE currently estimates a decrease in its 2023 ERRRA Forecast-related revenue requirement, SCE's estimates of the F&PP costs in this Application are subject to change when SCE submits the October Update at which time the ERRRA Forecast-related revenue requirement for 2023 could result in a total revenue increase – or a change in the amount of the estimated revenue decrease – compared to SCE's initial 2023 ERRRA Forecast-related revenue requirement.

## **II.**

### **SUMMARY OF REQUESTS**

In this Application, SCE requests that the Commission issue a decision approving SCE's Application in its entirety and determining that:

1. SCE's 2023 ERRRA Forecast revenue requirement of \$3.898 billion is reasonable and may be implemented by submitting a Tier 1 advice letter following a final decision in this proceeding;
2. SCE's forecast of greenhouse gas (GHG) allowance revenue return allocations is reasonable;
3. SCE is authorized to include and recover the 2023 ERRRA Forecast revenue requirement in rates as authorized by a final decision in this proceeding;
4. SCE is authorized to recover from or return to customers certain currently estimated December 31, 2022 year-end balancing account balances and other miscellaneous expenses, such as spent nuclear fuel expense as discussed in SCE's supporting testimony submitted concurrently with this filing;



5. SCE is authorized to implement its new SCE Green Share program starting in 2023, and to recover the incremental marketing, education and outreach (ME&O) costs of the program through 2024, in a manner consistent with its program proposal set forth in Exhibit SCE-01. SCE is directed to submit a Tier 2 advice letter within 60 days of a final decision to submit the following:
  - SCE's proposed Green Share tariff consistent with the discussion in Exhibit SCE-01;
  - SCE Green Share Election and Agreement Form; and
  - Notice of Intent (for requests above the 50 MW customer cap);
6. SCE is authorized to include and recover its 2023 Forecast Revenue Requirement Central Procurement Entity-Related Costs pursuant to D.20-06-002; and
7. And any other relief that the Commission deems just and reasonable.

### **III.**

#### **STATUTORY AND REGULATORY REQUIREMENTS**

##### **A. Statutory and Other Authority – Rule 2.1**

SCE makes this Application pursuant to the Commission's Rules of Practice and Procedure, California Public Utilities Code Section 454, and D.02-10-062, D.04-01-050, D.04-01-048, D.04-03-023, and D.14-05-006.

Section 454(a) provides in pertinent part:

- (a) Except as provided in Section 455, no public utility shall change any rate or so alter any classification, contract, practice, or rule as to reflect in any new rate, except upon a showing before the commission and a finding by the commission that the new rate is justified.

Section 454(b) provides in pertinent part:

- (b) The commission may adopt rules it considers reasonable and proper for each class of public utility providing for the nature of the showing required to be made in support of proposed rate changes, the form and manner of the presentation of the showing, with or without a hearing, and the procedure to be followed in the consideration thereof.

SCE's request complies with Rules 1.5 through 1.11 and 1.13 of the Commission's Rules of Practice and Procedure, which specify the procedures for, among other things, filing documents, as well as Rules 2.1, 2.2, and 3.2.

Rule 2.1 of the Commission's Rules of Practice and Procedure requires that all applications: (1) clearly and concisely state authority or relief sought; (2) cite the statutory or other authority under which that relief is sought; and (3) be verified by the applicant.

The relief being sought is summarized in Section I above and is further described in SCE's supporting testimony served concurrently with this Application.

This Application has been verified by an SCE officer as provided in Rules 1.11 and 2.1.

The remainder of Rule 2.1, as well as Rules 2.2 and 3.2, set forth further requirements that are addressed separately below.

**B. Legal Name and Correspondence – Rules 2.1(a) and 2.1(b)**

Pursuant to Rule 2.1 of the Commission's Rules of Practice and Procedure, the full legal name of the applicant is Southern California Edison Company (SCE). SCE is a corporation organized and existing under the laws of the State of California, and is primarily engaged in the business of generating, purchasing, transmitting, distributing and selling electric energy for light, heat and power in portions of central and southern California as a public utility subject to the jurisdiction of the California Public Utilities Commission. SCE's properties, which are located primarily within the State of California, consist mainly of hydroelectric and thermal electric

generating plants, together with transmission and distribution lines and other property necessary in connection with its business.

SCE's principal place of business is 2244 Walnut Grove Avenue, Rosemead, California, and its post office address and telephone number are:

Southern California Edison Company  
Post Office Box 800  
Rosemead, California 91770  
Telephone: (626) 302-1212

Communications regarding this Application are to be addressed to the attention of:

Mario E. Dominguez  
Attorney  
Southern California Edison Company  
P.O. Box 800  
2244 Walnut Grove Avenue  
Rosemead, CA 91770  
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8631 Rush Street  
Rosemead, CA 91770  
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**C. Proposed Categorization, Need for Hearings, Issues To Be Considered, Proposed Schedule, and Relevant Safety Considerations — Rule 2.1(c)**

Commission Rule 2.1(c) requires that all applications shall state “the proposed category for the proceeding, the need for hearing, the issues to be considered, and a proposed schedule.”

**1. Proposed Category**

Rule 1.3(e) of the Commission's Rules of Practice and Procedure defines “ratesetting” proceedings as “proceedings in which the Commission sets or investigates rates for a specifically named utility (or utilities), or establishes a mechanism that in turn sets the rates for a specifically named utility (or utilities).” This Application includes SCE's proposal for a decrease in its revenue requirement, resulting in a decrease in rates. Therefore, for purposes of Rule 2.1, SCE proposes that this proceeding be categorized as “ratesetting.”

**2. Need for Hearings**

The need for hearings in this proceeding, and the issues to be considered in such hearings, will depend in large part on the degree to which other parties contest SCE's request. The need for hearings will be determined by the assigned Administrative Law Judge(s).

**3. Issues to Be Considered Including Relevant Safety Considerations**

In general, the issues to be considered are discussed in Section I above and in more detail in SCE's supporting testimony served concurrently with this Application. Relevant safety considerations are discussed in Exhibit SCE-01, in Chapter I.

**4. Procedural Schedule**

To allow the Commission to issue a timely final decision in this proceeding, and to allow SCE to make the necessary rate changes in the first quarter of 2022, SCE respectfully requests that the Commission process the present Application according to the following schedule:

Application filed	May 16, 2022
Protests (if any) due	30 days from the date the notice of the filing of the Application appears in the Daily Calendar [approximately June 15, 2022]
Reply to Protests	10 days from the deadline for Protests [approximately June 27, 2022]
Pre-Hearing Conference	June 30, 2022
ORA/Intervenor Testimony due	July 15, 2022
SCE Rebuttal Testimony due	August 19, 2022
Rule 13.9 Meet and Confer to inform ALJ whether hearings are necessary and identify the specific disputed issues of material fact, witness lists, and cross-examination estimates	August 26, 2022
Evidentiary Hearings (if needed)	Week of August 29, 2022
SCE October Update	October 14, 2022
Comments on October Update / Concurrent Opening Briefs	October 28, 2022
Concurrent Reply Briefs	November 4, 2022
Proposed Decision	November 11, 2022
Comments on Proposed Decision <sup>8</sup>	November 18, 2022
Replies to Comments on Proposed Decision	November 23, 2022
Final Commission Decision	December 1, 2022

**D. Organization and Qualification to Transact Business– Rule 2.2**

Rule 2.2 requires the applicant to submit a copy of its organizing documents and evidence of its qualification to transact business in California, or to refer to that documentation if previously filed with the Commission.

A copy of SCE’s Certificate of Restated Articles of Incorporation, effective on March 2, 2006, and presently in effect, certified by the California Secretary of State, was filed with the Commission on March 14, 2006, in connection with Application No. 06-03-020, and is by reference made a part hereof.

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<sup>8</sup> Rule 14.6(b) allows the parties in the proceeding to stipulate to a shortened comment period. In the past, parties have stipulated to a shortened comment period given the timing constraints between the anticipated proposed decision date and the need for a rate change on January 1, 2022.

A copy of SCE's Certificate of Determination of Preferences of the Series D Preference Stock, filed with the California Secretary of State on March 7, 2011, and presently in effect, certified by the California Secretary of State, was filed with the Commission on April 1, 2011, in connection with Application No. 11-04-001, and is by reference made a part hereof.

A copy of SCE's Certificate of Determination of Preferences of the Series E Preference Stock, filed with the California Secretary of State on January 12, 2012, and a copy of SCE's Certificate of Increase of Authorized Shares of the Series E Preference Stock, filed with the California Secretary of State on January 31, 2012, both presently in effect and certified by the California Secretary of State, were filed with the Commission on March 5, 2012, in connection with Application No. 12-03-004, and are by reference made a part hereof.

A copy of SCE's Certificate of Determination of Preferences of the Series F Preference Stock, filed with the California Secretary of State on May 5, 2012, and presently in effect, certified by the California Secretary of State, was filed with the Commission on June 29, 2012, in connection with Application No. 12-06-017, and is by reference made a part hereof.

A copy of SCE's Certificate of Determination of Preferences of the Series G Preference Stock, filed with the California Secretary of State on January 24, 2013, and presently in effect, certified by the California Secretary of State, was filed with the Commission on January 31, 2013, in connection with Application No. 13-01-016, and is by reference made a part hereof.

A copy of SCE's Certificate of Determination of Preferences of the Series H Preference Stock, filed with the California Secretary of State on February 28, 2014, and presently in effect, certified by the California Secretary of State, was filed with the Commission on March 24, 2014, in connection with Application No. 14-03-013, and is by reference made a part hereof.

A copy of SCE's Certificate of Determination of Preferences of the Series J Preference Stock, filed with the California Secretary of State on August 19, 2015, and presently in effect, certified by the California Secretary of State, was filed with the Commission on October 2, 2015, in connection with Application No. 15-10-001, and is by reference made a part hereof.

A copy of SCE's Certificate of Determination of Preferences of the Series K Preference Stock, filed with the California Secretary of State on March 2, 2016, and presently in effect, certified by the California Secretary of State, was filed with the Commission on April 1, 2016, in connection with Application No. 16-04-001, and is by reference made a part hereof.

A copy of SCE's Certificate of Determination of Preferences of the Series L Preference Stock filed with the California Secretary of State on June 20, 2017, and presently in effect, certified by the California Secretary of State, was filed with the Commission on June 30, 2017, in connection with Application No. 17-06-030, and is by reference made a part hereof.

Copies of SCE's latest Annual Report to Shareholders and its latest proxy statement sent to its stockholders has been filed with the Commission with a letter of transmittal dated March 18, 2022, pursuant to General Order Nos. 65-A and 104-A of the Commission.

**E. Authority to Increase Rates — Rule 3.2**

**1. Balance Sheet and Income Statement – Rule 3.2(a)(1)**

In compliance with Rule 3.2(a)(1), Appendix A hereto contains copies of SCE's balance sheet as of March 31, 2022, and income statement for the period ended March 31, 2022, the most recent period available.

**2. Present and Proposed Rates – Rule 3.2(a)(2) And Rule 3.2(a)(3)**

The presently effective rates and the illustrative changes proposed to be made to those rates are listed in the table in Section I above, as well as discussed in SCE's supporting testimony served concurrently with this Application. The proposed rates are illustrative and will be updated consistent with the Commission's decision in this proceeding to reflect SCE's then-current authorized revenues when such rates are implemented. SCE's current rates and charges for electric service are in its electric tariffs and schedules on file with the Commission. These tariffs and schedules are filed with and made effective by the Commission in its decisions, orders, resolutions, and approvals of advice letter filings pursuant to Commission General Order 96-B.

**3. Summary of Earnings – Rule 3.2(a)(5)**

In compliance with Rule 3.2(a)(5), Appendix B hereto contains a copy of SCE’s summary of earnings for 2021, 2022 and 2023. Or “updated on March 31, 2022, 2022, the most recent period available.”

**4. Statement Pursuant To Rule 3.2(a)(10)**

Rule 3.2(a)(10) requires that the “application of electrical ... corporations shall separately state whether or not the increase reflects and passes through to customers only increased costs to the corporation for the services or commodities furnished by it.” SCE’s Application forecasts costs related to fuel and purchased power, and requests recovery of amounts in certain memorandum accounts, which are traditional “pass through” costs to customers.

**5. Notice – Rules 3.2(b), (c), and (d)**

Pursuant to Rule 3.2(b), a notice stating in general terms the proposed change in rates will be mailed to the designated officials of the State of California and the cities and counties affected by the rate changes proposed in this Application. Pursuant to Rule 3.2(c), notice will be published in a newspaper of general circulation in each county in SCE’s service territory within which the rate changes would be effective. Finally, pursuant to Rule 3.2(d), notice will be furnished to customers affected by the proposed increase by including such notice with the regular bills mailed to those customers. The notice will also be posted on SCE’s website, and customers who receive their bills electronically will be provided with an electronic link to the notice.

Although Rule 3.2 requires notices only for rate increases, SCE will issue notices of this Application because, as discussed in Section I above, although SCE currently estimates a decrease in its ERRA Forecast-related revenue requirement for 2022, SCE’s estimates of the fuel and purchase power costs in this Application are subject to change when SCE submits an updated forecast to the Commission in November 2021, at which time the ERRA Forecast-related revenue



requirement for 2022 could result in a revenue increase – or a change in the amount of the estimated revenue decrease – compared to SCE’s 2021 ERRR Forecast-related revenue requirement.

## **6. Service**

The official service list has not yet been established in this proceeding. SCE is serving this application and supporting testimony on the Commission’s Office of Ratepayer Advocates, as well as the service lists established by the Commission for A.21-06-003,<sup>9</sup> A.22-04-001,<sup>10</sup> R.14-07-002, A.16-07-015 (Consolidated)<sup>11</sup> and A.12-01-008 et al.<sup>12</sup>

## **IV.**

### **CONCLUSION**

SCE respectfully requests that the Commission issue a decision approving SCE’s Application in its entirety and determining that:

1. SCE’s 2022 ERRR Forecast revenue requirement of \$3.898 billion is reasonable;
2. SCE’s forecast of GHG allowance revenue return allocations is reasonable;
3. SCE is authorized to include and recover the 2023 ERRR Forecast revenue requirement in rates beginning in the first quarter of 2023;
4. SCE is authorized to recover from or return to customers certain currently estimated December 31, 2022 year-end balancing account balances and other

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<sup>9</sup> This is the service list for SCE’s 2022 ERRR Forecast Application.

<sup>10</sup> This is the service list for SCE’s ERRR Review Application for the 2021 Record Period.

<sup>11</sup> R.14-07-002 is the service list for the Order Instituting Rulemaking to Develop a Successor to Existing Net Energy Metering Tariffs Pursuant to Public Utilities Code Section 2827.1, and to Address Other Issues Related to Net Energy Metering; and A.16-07-015 is the service list for the Application of SCE, SDG&E and NRDC for Rehearing of Resolution E-4792, were consolidated per the 3/20/19 ALJ Ruling.

<sup>12</sup> A.12-01-008 is the service list for the Application of SDG&E for Authority to Implement Optional Pilot Program to Increase Customer Access to Solar Generated Electricity. A.12-01-008, A.12-04-020 and A.14-01-007 were consolidated per the 4/1/14 ALJ Ruling.

miscellaneous expenses, such as spent nuclear fuel expense as discussed in Chapter II of Exhibit SCE-01;

5. SCE is authorized to implement its new SCE Green Share program starting in 2023, and to recover the incremental marketing, education and outreach (ME&O) costs of the program through 2024, in a manner consistent with its program proposal set forth in Exhibit SCE-1. SCE is directed to submit a Tier 2 advice letter within 60 days of a final decision with the following:
  - SCE's proposed Green Share tariff(s) consistent with the discussion in Exhibit SCE-1;
  - SCE Green Share Election and Agreement Form; and
  - Notice of Intent (for requests above the 50 MW customer cap);
6. SCE is authorized to include and recover its 2023 Forecast Revenue Requirement Central Procurement Entity-Related Costs pursuant to D.20-06-002; and,
7. And any other relief that the Commission deems just and reasonable.

Respectfully submitted,

JANET S. COMBS  
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/s/ Mario E. Dominguez

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May 16, 2022

## VERIFICATION

(See Rule 1.11)

Southern California Edison Company

I am an officer of the applicant corporation herein and am authorized to make this verification on its behalf. The statements in the foregoing document are true of my own knowledge, except as to the matters that are herein stated on information and belief, and as to those matters, I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this **May 16, 2022**, at Rosemead, California.

*/s/ William V. Walsh*

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By: William V. Walsh  
Vice President, Energy Procurement & Management  
Southern California Edison Company

**Appendix A**

**SCE's Balance Sheet and Income Statement**

SOUTHERN CALIFORNIA EDISON COMPANY

**(h) A balance sheet as of the latest available date, together with an income statement covering the period from close of last year for which an annual report has been filed with the Commission to the date of the balance sheet attached to the application.**

STATEMENT OF INCOME  
THREE MONTHS ENDED MARCH 31, 2022

(In millions)

OPERATING REVENUE	\$ 3,961
OPERATING EXPENSES:	
Purchase power and fuel	1,037
Operation and maintenance	1,466
Wildfire-related claims, net of insurance recoveries	425
Wildfire insurance fund expense	53
Depreciation and amortization	583
Property and other taxes	124
Other operating income	(2)
Total operating expenses	3,686
OPERATING INCOME	275
Interest expense	(213)
Other income	71
INCOME BEFORE TAXES	133
Income tax benefit	(40)
NET INCOME	173
Less: Preference stock dividend requirements	26
NET INCOME AVAILABLE FOR COMMON STOCK	\$ 147

SOUTHERN CALIFORNIA EDISON COMPANY

BALANCE SHEET  
MARCH 31, 2022  
ASSETS  
(in millions)

UTILITY PLANT:

Utility plant, at original cost	\$ 58,116
Less- accumulated provision for depreciation and amortization	11,650
	<u>46,466</u>
Construction work in progress	4,200
Nuclear fuel - at amortized cost	127
	<u>50,793</u>

OTHER PROPERTY AND INVESTMENTS:

Nonutility property - less accumulated depreciation of \$92	201
Nuclear decommissioning trusts	4,527
Other investments	39
	<u>4,767</u>

CURRENT ASSETS:

Cash and equivalents	119
Receivables, less allowances of \$253 for uncollectible accounts	1,305
Accrued unbilled revenue	743
Inventory	434
Prepaid expenses	256
Regulatory assets	1,961
Wildfire insurance fund contributions	204
Other current assets	123
	<u>5,145</u>

DEFERRED CHARGES:

Receivables, less allowance of \$99 for uncollectible accounts	66
Regulatory assets (Includes \$849 related to VIEs)	8,008
Wildfire insurance fund contributions	2,309
Operating lease right-of-use assets	1,842
Long-term insurance receivable	95
Long-term insurance receivable due from affiliate	76
Other long-term assets	1,432
	<u>13,828</u>
	<u>\$ 74,533</u>

SOUTHERN CALIFORNIA EDISON COMPANY

BALANCE SHEET  
MARCH 31, 2022  
CAPITALIZATION AND LIABILITIES  
(in millions)

CAPITALIZATION:

Common stock	2,168
Additional paid-in capital	7,028
Accumulated other comprehensive loss	(31)
Retained earnings	8,542
Common shareholder's equity	<u>17,707</u>
Long-term debt (Includes \$837 related to VIEs)	22,928
Preferred stock	1,945
Total capitalization	<u>42,580</u>

CURRENT LIABILITIES:

Short-term debt	2,049
Current portion of long-term debt	17
Accounts payable	1,974
Wildfire-related claims	137
Customer deposits	190
Regulatory liabilities	701
Current portion of operating lease liabilities	592
Other current liabilities	1,571
	<u>7,231</u>

DEFERRED CREDITS:

Deferred income taxes and credits	7,239
Pensions and benefits	110
Asset retirement obligations	2,839
Regulatory liabilities	8,867
Operating lease liabilities	1,250
Wildfire-related claims	1,531
Other deferred credits and other long-term liabilities	2,886
	<u>24,722</u>

\$ 74,533



**Appendix B**

**SCE's Summary of Earnings**

Southern California Edison  
2021 GRC Summary of Earnings  
Final Decision (RO Model 6.1)

Thousands of Dollars

Southern California Edison Summary of Earnings 2021 GRC Adopted Revenue Requirement Thousands of Dollars		
Line No.	Item	Total
1.	<b>Base Revenues</b>	6,874,110
2.	<b>Expenses:</b>	
3.	Operation & Maintenance	2,391,587
4.	Depreciation	1,902,940
5.	Taxes	595,277
6.	Revenue Credits	(162,794)
7.	Total Expenses	4,727,010
8.	<b>Net Operating Revenue</b>	2,147,100
9.	<b>Rate Base</b>	27,982,268
10.	<b>Rate of Return</b>	7.67%

Southern California Edison Summary of Earnings 2022 GRC Adopted Revenue Requirement Thousands of Dollars		
Line No.	Item	Total
1.	<b>Base Revenues</b>	7,257,059
2.	<b>Expenses:</b>	
3.	Operation & Maintenance	2,445,365
4.	Depreciation	2,011,977
5.	Taxes	664,156
6.	Revenue Credits	(163,463)
7.	Total Expenses	4,958,036
8.	<b>Net Operating Revenue</b>	2,299,023
9.	<b>Rate Base</b>	29,956,578
10.	<b>Rate of Return</b>	7.67%

Southern California Edison Summary of Earnings 2023 GRC Adopted Revenue Requirement Thousands of Dollars		
Line No.	Item	Total
1.	<b>Base Revenues</b>	7,694,731
2.	<b>Expenses:</b>	
3.	Operation & Maintenance	2,503,319
4.	Depreciation	2,133,629
5.	Taxes	760,267
6.	Revenue Credits	(164,174)
7.	Total Expenses	5,233,040
8.	<b>Net Operating Revenue</b>	2,461,691
9.	<b>Rate Base</b>	32,070,817
10.	<b>Rate of Return</b>	7.68%

**Appendix C**

**Incorporated Cities and Counties Served by SCE**

# INCORPORATED CITIES AND COUNTIES SERVED BY SCE

## COUNTIES

Fresno	Kern	Madera	Riverside	Tuolumne
Imperial	Kings	Mono	San Bernardino	Tulare
Inyo	Los Angeles	Orange	Santa Barbara	Ventura

## CITIES

Adelanto	Commerce	Hesperia	Lynwood	Porterville	Tehachapi
Agoura Hills	Compton	Hidden Hills	Malibu	Rancho Cucamonga	Temecula
Alhambra	Corona	Highland	Mammoth Lakes	Rancho Mirage	Temple City
Aliso Viejo	Costa Mesa	Huntington Beach	Manhattan Beach	Rancho Palos Verdes	Thousand Oaks
Apple Valley	Covina	Huntington Park	Maywood	Rancho Santa Margarita	Torrance
Arcadia	Cudahy	Indian Wells	McFarland	Redlands	Tulare
Artesia	Culver City	Industry	Menifee	Redondo Beach	Tustin
Avalon	Cypress	Inglewood	Mission Viejo	Rialto	Twentynine Palms
Baldwin Park	Delano	Irvine	Monrovia	Ridgecrest	Upland
Barstow	Desert Hot Springs	Irwindale	Montclair	Rolling Hills	Ventura
Beaumont	Diamond Bar	Jurupa Valley	Montebello	Rolling Hills Estates	Victorville
Bell	Downey	La Canada Flintridge	Monterey Park	Rosemead	Villa Park
Bell Gardens	Duarte	La Habra	Moorpark	San Bernardino	Visalia
Bellflower	Eastvale	La Habra Heights	Moreno Valley	San Dimas	Walnut
Beverly Hills	El Monte	La Mirada	Murrieta	San Fernando	West Covina
Bishop	El Segundo	La Palma	Newport Beach	San Gabriel	West Hollywood
Blythe	Exeter	La Puente	Norco	San Jacinto	Westlake Village
Bradbury	Farmersville	La Verne	Norwalk	San Marino	Westminster
Brea	Fillmore	Laguna Beach	Ojai	Santa Ana	Whittier
Buena Park	Fontana	Laguna Hills	Ontario	Santa Barbara	Wildomar
Calabasas	Fountain Valley	Laguna Niguel	Orange	Santa Clarita	Woodlake (Three Rivers)
California City	Fullerton	Laguna Woods	Oxnard	Santa Fe Springs	Ventura
Calimesa	Garden Grove	Lake Elsinore	Palm Desert	Santa Monica	Yorba Linda
Camarillo	Gardena	Lake Forest	Palm Springs	Santa Paula	Yucaipa
Canyon Lake	Glendora	Lakewood	Palmdale	Seal Beach	Yucca Valley
Carpinteria	Goleta	Lancaster	Palos Verdes Estates	Sierra Madre	
Carson	Grand Terrace	Lawndale	Paramount	Signal Hill	
Cathedral City	Hanford	Lindsay	Perris	Simi Valley	
Cerritos	Hawaiian Gardens	Loma Linda	Pico Rivera	South El Monte	
Chino	Hawthorne	Lomita	Placentia	South Gate	
Chino Hills	Hemet	Long Beach	Pomona	South Pasadena	
Claremont	Hermosa Beach	Los Alamitos	Port Hueneme	Stanton	